

# Delaware Division of the

Delaware State Arts Council Meeting Minutes  
March 8, 2017  
10 a.m. to 12 p.m.  
DESU Arts Center/Gallery, Dover, DE

**Attending:** Council: Mack Wathen (Chair), Donna Blakey, Lori Crawford, David Fleming, Janis Julian, Michael Kalmbach, Heather Morrissey, Cheryle Pringle, Michael Quattrociocchi, John Sarro

Staff: Paul Weagraff, Sheila Ross, Kristin Pleasanton, Dana Wise, Roxanne Stanulis, Katie West, Leeann Wallett, Gwen Henderson

Public: Sanford Robbins – Director of UD Resident Ensemble Players

**Absent:** Madeleine Bayard, Tina Betz, Ralph Kuebler, Jon Newsom, Mary Ann Miller, Robert Fitzgerald

The meeting was called to order at 10 a.m.

**Motion to approve the modified/corrected minutes from the December 14, 2016 council meeting – 2<sup>nd</sup> – All in favor – None opposed.**

## **Chair's Report – Mack Wathen**

Mr. Wathen welcomed the new council members – Michael Kalmbach, Janis Julian, and David Fleming. The state finals of Poetry Out Loud had a great turnout this year and we had more schools participating than ever before. Donna Blakey served as the accuracy judge. The winner was Cecilia Ergueta, a junior from Wilmington Friends School.

Mr. Wathen commented on the work the National Assembly of State Arts Agencies (NASAA) is doing for national advocacy and encouraged Council members to continue reading the notes they've sent out with all of the issues around funding of the arts and concerns about the NEA funding and the upcoming expedition to Washington, DC in support of the arts. NASAA has sent out links to a couple of really good documents that are very concise. One is ["Fact vs Fiction: Government Arts Funding"](#) and ["Five Essential Arts Arguments"](#). He encouraged everyone to read these documents.

Working very closely with Paul Weagraff and Guillermina Gonzalez (Delaware Arts Alliance), Mr. Wathen testified before the Joint Finance Committee. The focus of the presentation was about the importance of the arts in economic development involving employees and employers.

## **Director's Report – Paul Weagraff**

### **Agency Activities**

*State re-fresh of agency websites:* Leeann Wallett is leading the Division's efforts in working with the Government Information Center on their re-design of state websites. The Division's new site should be launched in the very near future.

*Poetry Out Loud:* Finals were conducted at the Smyrna Opera House on February 28<sup>th</sup> with Cecilia Ergueta from Wilmington Friends School winning the state finals. Cecilia will be going to Washington DC for the National Finals on April 24-25. The event drew a record-sized audience.

*DAA activities:* The Delaware Arts Alliance is organizing a trip to Washington DC for National Arts Advocacy Day on March 20-21. They are also encouraging a variety of advocacy activities locally,

including postcard campaigns and pushing information out through their **#WhyDEArtMatters** twitter campaign. They are also working with State Representative Deborah Heffernan on Delaware Arts Advocacy Day, to be held on May 4<sup>th</sup> in Legislative Hall.

### **FY2018 Budget**

The Governor's proposed budget for FY2018 presents a \$61,000 reduction in the Division's General Fund grant line, while retaining level funding in all other budget lines for the Division of the Arts. Compounding FY2018 funding challenges is the increasing number of applicants across the board and the Division's effort to expand support for special initiatives, including creative aging programs and arts education transportation subsidies. The State is facing a significant shortfall (\$350m at last report). The Division has had to provide additional detail to OMB on funding streams, expenses, and federal matches, indicating that they are continuing to look at ways to cut spending across the board. On a positive note, the arts are not being singled out with this scrutiny.

The National Endowment for the Arts (NEA) has not announced federal funding for FY2018. The Division should receive a preliminary award announcement after the National Council on the Arts meets in late March. The NEA has been the subject of reports that White House advisors may be recommending its elimination. Both the National Assembly of State Arts Agencies and Americans for the Arts are monitoring developments closely, and are meeting with legislators to discuss the importance of federal funding for the arts. Federal funding supports roughly 17% of the Division's budget; including grants, programs, and personnel.

### **FY2017 Opportunity/Residency/TranspARTation Grants Report**

Katie West will report. See attached report.

### **FY2018 Grant Applications/Panels Report**

Katie West will report. See attached report.

### **For your calendar**

March 20-21, 2017	National Arts Advocacy Day, Washington, DC
April	National Poetry Month
May 8-10, 2017	Grant review panels – Dover Public Library
June 21, 2017 from 10a to 2p (Tues)	DSAC Meeting, New Castle County, Buena Vista

### **Katie West - Grant Applications - See handouts.**

The FY2018 grant application deadline was March 1<sup>st</sup>. The handout is a summary of the applications we received by category and the dollar amount requested.

General Operating Support category received 64 applications, down from 71 last year. This is due to the new Arts Access Grants, for organizations whose budget is less than \$16,000 for last fiscal year. We also had 3 organizations we were anticipating to apply that didn't.

Arts Stabilization category received 7 applicants this year – last year there were 6. These grants are for capital projects.

Education Resource received 16 applications this year – last year there were 18.

StartUp received 2 applications this year – last year there were 6.

Project Support received 27 applications this year – last year there were 31. Some organizations that usually would apply for PS grants may have applied in the Arts Access grants category this year.

The panel meetings will be held May 8<sup>th</sup> thru May 10<sup>th</sup> at the Dover Public Library.

The second handout is a list of grants with rolling deadlines that have been awarded to date since July 1<sup>st</sup>.

### **Sanford Robbins –UD Resident Ensemble Players (UDREP)**

Mr. Robbins is the producing and artistic director of the UDREP. He presented a PowerPoint presentation to explain why UDREP should be given consideration by DDOA as an arts organization rather than as a project of a non-arts organization as is currently the case. The amounts of support in these two categories are significantly different. As one of the largest and most accomplished organizations in the state, the UDREP deserves to be assessed in the same way as Delaware's other professional arts organizations.

During and following Mr. Robbins' presentation, he entertained questions from Council members. Full transcript is attached as Appendix 1.

### **Leeann Wallett – Marketing & Communications Review**

Ms. Wallett made a PowerPoint presentation with updates on past initiatives and a breakdown of social media traffic and marketing/advertising information. [DelawareScene.com](http://DelawareScene.com) has been revamped and made mobile-friendly. We've added new features, such as a podcast section and special features that rotate in and out throughout the year. Thanks to Heather Morrissey and Cathy Walls for contributing input and offering suggestions that were incorporated into the upgrades.

Ms. Wallett talked about and passed around examples of the advertising we've placed in various publications. We ran a 3-month trial Geo-fencing campaign – you fence a specific location and when people come in with their mobile devices' location on, they're served an ad. It measures the ad impressions and the number of clicks it produced.

We sent a total of 25 press releases last year. We sent over 56 constant-contact emails.

The Poets Laureate were very, very busy last year. They did a TedX talk at the Queen and the video is available on YouTube. There's a full expose on them in the Delaware Today Best of Guide. They were featured in Out & About magazine, on WHYY- NPR and the NEA podcast.

New initiatives/goals for this year – XML feeds are feeding the content and events on DelawareScene.com to other arts event calendars such as InWilmington and the Convention & Visitors Bureau; forging new partnerships; digital advertising re-targeting campaign; website redesign.

### **Kristin Pleasanton**

#### **Creative Aging**

We held our first ever Creative Aging workshop in December and forged a partnership with the Division of Services for Aging Adults with Physical Disabilities (DSAAPD) and worked with the National Institute of Aging to bring together the arts community, artists, and the aging services community in one room. Over 75 people attended. We compiled the filming done throughout the day into a 9-minute video to get an idea of what the workshop was about and creative aging in general.

Council member, Donna Blakey, attended and commented on how great the workshop was and how much she enjoyed it.

National Arts Program – State Employees Art Exhibit

We held the council meeting in the gallery so that the council members could view the State Employees Art Exhibit. The awards reception was held on Saturday, March 4<sup>th</sup>. We gave out \$3,250 in awards, provided by the National Arts Program. We have a great relationship with the Jennifer Gunther – DESU Gallery – who lets us use the gallery to hold the exhibit. To our knowledge, we are the only state government who sponsors this opportunity for state employees.

Jennifer Gunther – Director of DESU Art Center/Gallery talked about the partnership with DDOA and the exhibit. We get a huge influx of people coming to the campus, which exposes the gallery to the community at large. Some of the professors send their students to view the exhibit. We anticipate more DESU staff entering next year. A DESU graduate, who used to be a DDOA intern, assisted with the exhibition.

**Public Comment - None**

**Old Business – None**

**New Business – None**

**Lunch and discussion of UDREP**

See full transcript under Appendix 1.

For the June meeting, staff will prepare a couple different funding scenarios that show funding UP REP at a level comparable to the larger arts organizations, and then a scenario similar to recent funding levels. UD REP will be reviewed as a Project Support application this year. Council concluded that we want to keep the university programs like this as Project Support applications moving forward. Note: John Sarro recused himself from the discussion due to his affiliation with the University of Delaware.

**Motion and second to adjourn meeting at 12:51pm - All in Favor.**

## Appendix 1

### DSAC Meeting 3-7-17 Sandy Robbins Presentation & Discussion Transcript

I'm the producing artistic director at the University of Delaware - Resident Ensemble Players (REP). We are here today to have a conversation about why UD-REP should be given consideration by the Division of the Arts as an arts organization rather than the project of a non-arts organization as is currently the case. I'm hoping to persuade you that we should be viewed in another way.

Why does this matter? Because the amounts of support dollars in these two categories are radically different. And as one of the largest and most accomplished arts organizations in the state, the REP deserves and needs to be assessed in the same way and considered for the same level of support as Delaware's other professional arts organizations.

The REP is a fully professional theater company located on the campus of the U of D. I'm going to show you a few videos to give you a sense of us and an incentive to come and check us out.

So what makes us unique, important and fully professional both locally and throughout the state, from a regional perspective – nationally and internationally?

- REP employs 42 full time employees who are exclusive to the REP. We also share an additional six employees who do dual duty with the Department of Theater at UD.
- REP salaries are competitive with salaries of theater professionals nationally.
- REP is the only resident professional active ensemble in this tri-state region and one of few left in USA.
- Offers long-term employment and nationally competitive compensation to seasoned, professional stage actors and other professionals who have extensive credits on Broadway and America's best regional theaters.
- Provide artists with regular opportunities to stretch beyond the confines of type-casting to expand each artist's scope and breadth. (this is one of the attractions of working for us)

When we see resident companies transform themselves in roll after roll, we not only receive the benefits of each individual play, but we also get a cumulative benefit presented with the transformation capacity of all human beings. The gift of our own malleability in freedom from our seemingly fixed identity is the unique contribution of a resident acting company. The existence of this kind of actor is endangered in the current era when increasingly fewer theaters have resident companies and more and more roles are cast with stars and cast-to-type.

The REP produces 6 to 7 productions each year presented in two adjacent theaters in the Roselle Center for the Arts. Our productions feature our acclaimed resident acting company augmented by guest actors from Broadway and the best regional theaters. A REP production's creative team is comprised of internationally admired directors and designers. The repertoire includes classic modern and contemporary plays as well as one new play each season commissioned by the REP and written by a leading contemporary playwright.

Where we're unique is in making regularly available to Delaware and regional audiences the work of nationally and internationally renowned theater directors, designers, playwrights and actors. Recent examples include Mariah Aitken, who is director of *The 39 Steps* on Broadway and in London which won the Tony Award here in the United States and the Olivier award in London. She directed our production of Shaw's *Heartbreak House* last year and starts rehearsal next week for a production of *Tartuffe* with us. Alexander Dodge, the Tony Award winning scenic designer for Jones' *Guide to Love & Murder*, just designed our recent production of *The Bells*. That was his second time with us. He also designed our *Hamlet*. Phillip Rosenberg, his third time with us, designer for *The Elephant Man*. And playwright director Theresa Rebeck, who is the creator of NBC's hit TV show *Smash* and Broadway's *Seminar*, *Mauritius*, and *Dead Accounts*, has 3 times written original, world premier works for the REP which we've premiered and have gone on to other theaters. Most recently *The Bells*, which just closed last month. Then there's Ben Barnes, the artistic director of the national theater of

Ireland, The Abby. So, it's people of that caliber and in the course of the season of 7 plays, at least 5 of our artists.

We see a great deal of critical praise - we were the feature of a front-page *New York Times* article 2 years ago in the Arts section, locally and by our community on social media.

#### **Presented Video**

So, I'm hopeful to persuade you that we're more than a project of a non-arts organization. Although we're obviously a part of the University of Delaware, we are an independent, freestanding, professional organization and would like to be compared to the professional arts organizations. That is the case for organizations like ours in many, many other state arts agencies. I'm going to list them here and then provide you with some of their materials. That's the case in Colorado, it's the case in Georgia, the case in Maine, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Wisconsin, and New Mexico.

In all of those states, organizations like ours, although funded in large part by the university, if we meet certain criteria our organization would unquestionably be seen in these states as a contender for General Operating Support.

So, common to these states are the following definitions of requirements, and I'm going to show you how we match up to those. Most of these state arts agencies designate particular requirements for college university programs for them to be eligible for General Operating Support.

Such programs are sometimes recognized as arts affiliates, sometimes as cultural affiliates, sometimes called the independent component. Such eligible entities are clearly defined as programs which have distinct identities within a larger institution. The purpose of additional eligibility criteria is to demonstrate the organization's distinctiveness and independence from the university department's academic credit programs and the participation of, and service to, the broader community.

So what are those common requirements?

- An arts-based mission - A serious commitment to ongoing arts program that is not by and for the students and faculty.
- Community investment into the program - As evidenced by an engaged community advisory board, financial support from a variety of non-university sources that might include individuals, businesses and foundations.
- An audience make up representing a large percentage of members of the greater community.
- A professionally and independently managed program as evidenced by a dedicated staff, programmatic autonomy, and a budget separate from the parent organization.

So now let's look at how the REP measures up to each of those requirements:

First an arts-based mission – quotes from our mission statement so you can see that we are in fact an arts-based mission.

The REP exists to engage audiences throughout its region with frequent and outstanding professional productions of a wide variety of classic, modern contemporary plays performed in wide variety of styles with a particular emphasis on plays that are distinguished by one or more of the following qualities:

The Excellence of their script, the opportunity they present for virtuosity in performance, and their power as theatrical experiences.

We exist for that and not as an academic matter at all. We exist to make these productions available at very low prices so that they are accessible and affordable to everyone in the region regardless of income. That's a very large part of our mission.

We exist to celebrate and demonstrate the possibility and power of an ensemble of actors working together over a long period of time with a particular emphasis on showcasing range, variety, ability to transform and capacity to work in many different ways that are the traditional hallmarks of outstanding resident acting companies.

We exist to provide long-term employment security and nationally competitive compensation to outstanding professional stage actors, while affording them on a regular basis, challenges and opportunities in excellent professional productions and opportunities to contribute to the creation of future life-long theater goals (which is another big part of our mission - to create future life-long theater bills). We do that by performing special productions for middle school and high school students with classroom outreach presented at the school.



A serious commitment to ongoing arts programming - we're in our 9<sup>th</sup> year of producing 6-7 productions each year.

In each season:

- 42 full-time professionals
- 6 part-time employees
- Between 25-45 guest professionals, directors, designers, technicians, voice movement coaches and actors are employed by us. (showed clip from *The Skin of Our Teeth*)

Community investment and an engaged community advisory board which consists of 8 members from all parts of the state – meets twice a year to advise us on programming outreach and fundraising.

Financial support from a variety of non-university sources. Beyond the support we're grateful to receive from the Division of the Arts (DDOA), we raised an average \$192k annually from individuals, businesses and foundations:

- \$167k from individuals, and mostly in very small increments
- \$10k from business
- \$15k from foundations

Community invested – an audience makeup representing a large percentage of the members of the greater community (pie chart) 62% are non-university general public, 25% are students, and 13% faculty. So overwhelmingly we're performing for the general public.

Our subscribers are 81% non-university affiliated 19% are either student or faculty, 77% comes from Delaware, 14% from Pennsylvania, and 6% from Maryland. The remaining 3% from as far west as California and as far south as Florida.

The Delaware portion of the REP audience is comprised of 92% from New Castle County, 4% Sussex County, 3% Kent County, and obviously, we're doing everything we can to get more people from downstate visit us each year. The numbers, although small, are on the rise.

REP presents morning matinees for middle and high school students, preceded by an onsite school visit workshop by actors. We also offer pre and post show lectures and special discussion panels at least twice per production. As an example we're now doing *The Elephant Man* and some of the leading people on disability and access for the state are going to be speaking on a panel after that production. Each time we try to find a topic that's socially relevant and of some concern and invite a panel to speak after the play.

We do special presentations at senior citizen locations as well as a wide variety of classes at the university.

Professionally and independently managed dedicated staff -We have a full-time administrative staff augmented by a few employees that we share with the theater department.

Programmatic autonomy - We enjoy entire programmatic autonomy, play choice & execution, management practices are completely independent of any academic considerations or governance. Budget is separate – we have a discrete budget distinct from the university operating budget.

So, in conclusion, we meet the criteria that many other states use to distinguish an arts organization. University support for the REP is trending downwards in recent years and it's anticipated that it's going to be reduced significantly over the next 2 – 3 years as state support for UD is almost certain to be reduced by the legislature, so our need is on the increase.

During its existence we've consistently demonstrated fidelity to our mission, professional autonomy, artistic excellence, prudent professional management, a steadily increasing national reputation, value to the state's overall cultural offerings, and extraordinary community support as demonstrated by increased audience and subscribers every year. The size of our audience grows every year.

The REP is clearly a fully professional arts organization, and deserves and really needs to be eligible for the same level of support as other professional Delaware arts organizations.

Thank you for your time, I'll answer any questions you have.

**Council Member:** I see you have current DDOA funding, what is that for?

**Sandy:** Yes, as a project of a non-arts organization which is all we're eligible for and are enormously grateful for, but it's restricted in the amounts available and the difference between amounts available are very, very substantial.

**Paul:** To put this in context a little bit, Sandy and I have actually had a few conversations prior to this meeting so this didn't come out of the blue. In our conversations I didn't feel comfortable making any kind of decision on my own and Sandy said he'd be happy to make a presentation to the council so that it could be considered beyond the scope of him and me. We have been funding the program for a number of years now through Project Support and our definition of Project Support includes, for those eligible through/by municipalities and units of government. So in essence the REP has been treated as a unit of government under the University of Delaware.

Typically most of our Project Support grants range less than \$10k and this is one of very few that exceed 10k and I believe maybe 4/5 years ago it jumped considerably up to \$70k this year. But the budget of the REP is comparable in size to Delaware Theatre Company (DTC), Delaware Symphony Orchestra (DSO) and some of the professional organizations of this state.

**Council Member:** How does Master players get funded?

**Paul:** Through Project Support.

**Council Member:** How do we distinguish between Master Players and how they get funded and this organization, because they're very similar in my opinion even though one is music and the other theater.

**Paul:** I think we would have to look at that and look at the structure of the Master Players. That is more of a concert-by-concert program as opposed to an ongoing fully staffed organization.

**Sandy:** If you look at the criteria that other states use and applied it to us, you'll find that we fit and Master Players doesn't.

**Council Member:** Is it fair to assume that the other states do something similar to what we do?

**Sandy:** I think so. I couldn't get data on a great many...so I picked data from states where we could conclusively ascertain this was the case.

**Council Member:** You had \$192k in public contributions...that's terrific. What's your level of funding through the university?

**Sandy:** We get about \$5 million per year from the university.

**Paul:** Katie and I did a little research in the numbers in terms of funding between Master Players and REP:

- Master Chamber Players, from their Project Support grant, is pretty comparable to what they'd be getting if they were in the General Operating Support pool. But that's not the case with REP. They're getting considerably less in the Project Support pool than they would be getting under General Operating Support.

**Council Member:** But that's something we do have discretion over, how much they end up getting under Project Support?

**Paul:** Correct – we could allocate more to the Project Support category and award that through Project Support but we traditionally have not.

**Council Member:** What's the overall budget?

**Sandy:** Just over \$6 million.

**Paul:** Which is actually considerably more than the Delaware Theatre Company.

**Council Member:** So...your budget is about \$6 million, you get \$5 million from UD and \$192k from outside sources...how do you make up the deficit?

**Sandy:** Box office, and the DDOA helps. Our operating budget, it's in our application that you just received, I'm not sure off the top of my head. At the end of the year, we're pretty much awash. We're designed to be, we're not for profit. We do, very deliberately, keep our ticket prices low so that we're accessible – that's one of the key parts of our mission is to be available to everybody.

**Council Member:** The employees that are paid by UD, is that the non-performing component of the REP, like the administrative staff?

**Sandy:** Because we're part of the university, although an independent aspect of it, everybody's paycheck says University of Delaware.

**Council Member:** So everybody gets UD benefits too?

**Sandy:** No, none of our artists do. They get only the union benefits that actor's equity, stage directors, stage choreographers, or stage designers get.

**Paul:** Do the other staff get university benefits?

**Sandy:** Some yes, some no. Depends what category they're in. We're an anomaly almost in every way. University isn't really designed to have an independent arts program. Some are university staff



although their duties are exclusive to the REP, and a great many are independently contracted and they don't enjoy the benefits that a staff member does.

**Council Member:** So, something changed significantly a number of years ago with the professional theater training program which was a university focused graduate program?

**Sandy:** Yes, it was eliminated.

**Council Member:** So prior to the change, PTPP and REP were two parts of the same function and so by pulling out the graduate level of program from the university it left you as this independent entity suspended within the university without the academic component?

**Sandy:** Yes. The other aspect is if you were to view us as a professional arts org, it would give us the opportunity to go to other funding agencies. Right now they look at us and say "your own state sees you as a part of the university" so I'm thwarted in getting almost any support anywhere.

**Council Member:** About how much is the deficit in terms of what the university provides?

**Sandy:** UD provides upwards of 90% of our budget and we'd be out of business tomorrow if the university didn't support us.

**Council Member:** Have they described to you a declining level of support in the future?

**Sandy:** Yes. They've promised me that.

**Council Member:** What's the rate of decline?

**Sandy:** We don't know, we're waiting to see what the legislative allocation to the university is and it trickles down. We're apt to take a pretty decent cut, I think.

**Council Member:** Are there a lot of other people that participate in different performances from the community, non-professional or people who need to learn how to do this? What kind of exposure does it give just normal citizens?

**Sandy:** Well, if you're an undergraduate at UD you can be backstage on the plays and you can be a supernumerary. The unions forbid other people from performing in the plays. You can't be a professional theater and have just anybody on the stage. We're allowed to have professional actors and people who are fully matriculated in a formal academic program. But we would cease to be a professional organization. That's our problem: that we're professional in every penalizing way and we're a university in every other way.

**Council Member:** Do we have any other organizations that are professional organizations, but considered arts organizations?

**Paul:** DTC, it the most comparable. They produce a number of plays and use professional actors. It's very rare for DTC to hire a Delaware actor. They hire from Philly, New York, and elsewhere, and the operation is very similar.

**Sandy:** The key difference is bill of fare and the fact that we have a resident company with full time employees whereas they hire people for each production.

**Council Member:** Are there comparable orgs like the REP at other universities?

**Sandy:** Yes

**Council Member:** And is 90% of their funding also from the university?

**Sandy:** Sometimes yes, sometimes no, it varies state to state and how generous their state arts agency is in many cases, and also how important they are to the university mission. Playmakers Repertoire at University of North Carolina is a good model and they receive about a comparable amount from the university like we do, a comparable percentage. Whereas the Lahoya Playhouse, on the campus of the University of California San Diego, has much smaller allocations from the university. Yale REP, which was the first of these models of any prominence, they receive a smaller amount of support from the university than we do but it's still significant. Harvard has the American REP theater and it was receiving a great deal of money from Harvard, but if you read the newspaper, that's being reexamined right now and apt to change pretty radically. So it varies at each place. What's the same at all those places is some significant portion is given by the university and facilities, which is important. We have no facility expenses.

**Council Member:** Do you have to apply for a grant from the university or is it a part of their budget?

**Sandy:** We're a part of their budget.

**Paul:** You make your case to the dean?

**Sandy:** Yes, and the university knows I'm here today and have their fingers crossed as well. While we're going to be reduced by them, they've treated us wonderfully well. We're just not central to the university mission. But we are one of the largest arts organizations in the state, we just don't fit the parameters well.

Thank you so much for your time.

**Chair:** Any other questions? What I would suggest, given the uncertainty of funding that we're facing as well, I would suggest that when we go into our June meeting faced with decisions like this and we'll have a little more certainty of our art funding, we can make a decision then. And we can even have alternative looks at the allocations which I know we've done before. Does that make sense?

**Paul:** My thinking is this, and I think it dovetails with what you're saying...the REP program has submitted a Project Support grant, I think the discussion at the June meeting may be what funding level makes sense through Project Support this year and then do we migrate into an arts organization funding mechanism, General Operating Support, for next year's application process.

They'll be reviewed as a Project Support grant this year because that was the application that was available to them. That doesn't restrict us in any way in terms of funding other than what funding we have available. Moving them into General Operating Support would be a discussion we could have maybe in June and even September prior to the next round of applications. As to what makes sense for next year's application cycle, the discussion at June's meeting would be what level of funding through the current mechanism is appropriate.

**Sandy:** If any of you would like to see either our current production of *The Elephant Man* through the 19<sup>th</sup> or *Tartuffe*, which opens 3 weeks later, Paul can tell you how to reach me.

**Paul:** For full disclosure, the dinosaur you saw in *Skin of our Teeth* was a former council member.

**Paul:** We'll discuss during lunch.

#### **Council Discussion**

**Paul:** Any comments, thoughts, guidance, or questions you have on Sandy's presentation?

**Council Member:** He may have addressed this...I made note that the DTC, a similar organization, they do a lot of education pieces for the community...what does the REP do out in the community besides performances?

**Paul:** They don't have the kind of outreach like DTC, but they do go out into the schools to engage students in workshops, preparing them for the presentation that they do on campus that the schools will come to. On occasion their actors will go out and do workshop project with high school students and that's pretty much the extent of their educational outreach as far as I understand. Is that what you were asking?

**Council Member:** Yeah, I don't know how that plays into things. But it just seems like that's the whole point of these nonprofits is to reach out to the community and be a benefit to the overall community, so that would add some more credence to why they should be an arts organization funded with additional funding.

**Paul:** I would say the case he made is that presenting professional quality theater to the community is the service they provide. We do have other arts orgs we fund that don't have education outreach programs or that kind of outreach.

**Council Member:** I've had the opportunity to see about 10 of their productions in the last 3 years. In comparison to professional theaters around the country, I have to say that the quality of their work is extraordinary. The point he was making about the resident company becoming an increasingly rare one in the theater world - it's not been a sustainable model. At one point, it was the only model and many of the greatest actors have said it was that opportunity to train with an ensemble to do a variety of roles, to give themselves an opportunity to transform themselves in roles, that really made them mature as an artist. So I would say that the work that they do is nationally almost unique. There are a couple of good examples, he stated a few - LaHoya Playhouse for instance, has moved from a deep university focus to probably one of the foremost locations for the launching of new Broadway product over the last 25 - 30 years is an example of one that has gone on from their original roots to get much larger. This is an extraordinary company and the level of their work is top notch.

**Council Member:** One of the connections I was making as well, with the residential component being so rare, perhaps it needs begging that another kind of hybrid kind of organizational structure model is needed to sustain it. When you look at their General Operating Support and the production they do put on, in the presentation he made a clear case that they are a professional arts organization. The surprising link I'm making right now is thinking about the Center for Creative Aging, when we have programs that aren't necessarily coming out of an independently run, small nonprofit operating specifically on of arts grants. The program I run, for instance, has a grant from Substance Abuse & Mental Health but if you come to our program every week, you'll come out convinced that you've been to an arts organization. It makes a lot of sustainable sense for us to maintain our affiliation with

public health. But I can see as the program grows, and other developmental disabilities art programs throughout the country are definitely sustained through public health arms. So I think it's interesting that the vibrancy and longevity of a program like the REP, although \$5 million per year is a lot of money, at the same token it costs to deliver a model that is really unique.

**Council Member:** Isn't it part of the reason that they and the Master Players are placed in the unique situation that they are, because they receive state funding from another source? And then if they then receive it from us and the college, wouldn't they be receiving state funds from two sources?

**Paul:** Well, they already do because they receive Project Support money from us. Sandy's presentation was for you to consider considering them as an arts organization rather than a non-arts organization doing arts programming...I think that was his premise. That was his case. The underlying issue is the level of funding they receive. Early on in their funding they were getting maybe \$10k, maybe \$15k a year thru Project Support. Because we actually have and I still think we have in the language that Project Support grants typically don't exceed \$10k. Now in fact they got \$70k this year and Master Chamber Players about \$25k. So they are two of the few projects that we fund over and above \$10k. But that \$70k they got, we jumped them considerably about 4 or 5 years ago and part of it was recognizing what some of the larger professional arts organizations are getting. Two issues - A decision over where they fit in our funding categories and the other is the level to which we're comfortable funding them. There's nothing that says we can't keep them as a Project Support applicant and give them the same amount of money that the Delaware Theatre Company gets. It would just be a matter of moving more money into that pool as we're figuring out grants.

**Council Member:** But I think Sandy's point is that he wants the recognition.

**Paul:** Yes, there are other benefits to being there.

**Council Member:** So if they're classified differently, they're eligible for more funding?

**Paul:** Well, one of the issues he faces, and he's shared this with me in previous conversations, is that as long as we treat them as a UD entity, rather than as a distinct arts organization, they have problems with the university's development offices in going out and seeking funding because the university views that as being in direct competition with their fundraising efforts. My understanding is if we recognize them as a discrete arts organization, it would give them more latitude in being able to do fundraising in ways that they're currently restricted in doing.

**Council Member:** But if we reclassify them to move into the General Operating Support category they would be eligible to receive funding based on that \$6 million budget. Which means they would get hundreds of thousands of dollars?

**Paul:** We currently have a cap and the only organization that approaches that is The Grand. And currently The Grand, several years ago the state arts council approved, at a council meeting, that no one organization would receive more than 10% of the General Operating Support pool. The Grand is the only one that's actually capped by that this year. So, they can get as big as they want and they're not going to get any more than that 10% cap. That's where the REP company would be. And the only other organization that we fund with General Operating Support that we don't even put into a formula is Winterthur. They've got an annual budget of \$25-\$26 million. We've been giving them a grant of \$75k-\$80k per year, and they're just grateful to get that money to support some of their programming.

**Council Member:** The other side of the grant picture is on the private foundation side...many of the foundations have restrictions about making grants to educational institutions. And so a number of the larger private foundations have some limitations if not out and out restrictions about what they can grant to an agency that is considered essentially intrinsic within a university. So I suspect that is the other thing that's in his mind is that the reclassification that we could do could open up a number of doors for them for private funding.

**Council Member:** If I'm a funder and I'm looking at a grant application from them and I'm looking at their budget and I'm seeing \$5 million coming in from UD, it's going to be hard for me to say, you're not affiliated. So, regardless of - and I respect what they're doing I think they do great performances - but they are a part of the university, they're housed there. I don't think we can change what they really are. They're located there, they're programs are there and 90% of their funding comes from the university. I don't know how aggressive their fundraising efforts are.

**Council Member:** It sounds like they're about to get a lot more aggressive. From what I understand, behind the scenes, I think the university is going to very rapidly begin to unwind that level of support.

**Council Member:** Then maybe we look at it at that time.

**Paul:** But, to your point, when we award them a grant, the grant check goes to the university.

**Council Member:** I'm a little concerned because he brought up, I think, 13 states that currently operate under the assumption that they would give money to organizations of a similar structure, so should we assume then that 27 states don't give money to organizations that operate under that kind of structure, for whatever reason – as General Operating Support?

**Council Member:** I don't remember all of the states that he mentioned but most of the ones in that 13 are also some of the most aggressive from a standpoint of funding for the arts.

**Council Member:** My last concern, is if DDOA budget gets cut, the bucket of money is the same or less or whatever, no matter how many orgs apply for the money. So what happens is that everybody's budget gets diluted more and more as more organizations apply for it. Especially when the budget is going down it gets diluted even further. So my question is, should the rules on who gets money become more stringent to reduce that pool so that people that do get the money get a significant amount that can really help them instead of just diluting this over and over to the point that the money is so small, it doesn't even help anybody? So this presentation kind of leads into that. Is there some additional criteria that should be built to measure all orgs against, rather than broaden who's able to get in? Should it be more stringent to reduce the number of organizations who get the grants?

**Paul:** A related question to that is...if we are concerned about diluting grants to the point where they're not useful to the recipients and therefore fund fewer of the applicants, are we prepared to fund new applicants and not fund applicants that have been around for years? Are we prepared to take that stand?

**Council Member:** I think you'd have to broadcast it in advance that you're changing criteria and that there are possibilities that some people could fall off. But I think, given the current potential for loss with the NEA money, local money, something has to happen, it seems.

**Council Member:** My view is that I think the arts agencies would understand that if the funding gets cut you'd get a smaller portion, as opposed to, we're only going to give it to some but you've got to drop out...I don't think that's a good idea. I would think the agency would understand that if funding were cut then everybody would have to take a cut as opposed to making some drop off completely to zero.

**Council Member:** But is there a scenario where an organization that has routinely gotten funded by our reviewed criteria aren't competitive this year?

**Council Member:** That's always a case - I would always consider that.

**Council Member:** Just on the funding discussion: Why can't it be handled from the panel process?

**Paul:** We typically, with the panels, have a discussion – are there those that rank so low, is there a point below which, given a limited funds, that the panel recommends not funding anybody who scores below a certain point?

**Council Member:** In other words, instead of essentially leaving the applications maybe not as open, which could invite certain kinds of scrutiny too, you do it from the panel side where you essentially for lack of better term, raise the standard, or raise the scoring threshold for funding and you can accomplish the same thing without telling anyone they may or may not apply.

**Council Member:** It's a double-edged sword because if they'd gotten it for the last 5 years...

**Council Member:** Well yeah, the threshold has to be higher because the budgets are reduced.

**Council Member:** I don't disagree...again, I only had one year's experience on the panel but it more or less seemed like anybody who applied, no matter what their rating, got something.

**Random Comments:** That's generally the case with General Operating Support. That doesn't have to be the case every year.

**Paul:** The issue with General Operating Support, there are different philosophies with that - I remember a conversation with my counterpart in Pennsylvania, who I respect greatly, about the fallout of not funding an arts organization that you have funded for years. His response was to the effect, "By not funding an arts organization with General Operating Support at some level, even if it's minimal, by saying you're not worthy of funding, you're saying that they serve no public value at all." That was his take...I don't know if he exercises that in Pennsylvania, but it was an interesting point of view. "Are you saying by zero funding them that they have no public value at all? Chances are, the ones that do the most poorly in the review process are serving communities that might not get served. Although that's not always the case." So, the General Operating Support is a much harder one to zero fund somebody...I'm not saying we shouldn't consider that.



Back to the university -, the REP program has applied in Project Support. They'll be reviewed and ranked by that panel. When it comes to the grant award, they've been getting in the range of \$70 - \$75k for the last 4 or 5 years or so, which is far above what any of the other projects are getting. We could keep that where it is or treat them, funding wise, at the level that we treat organizations of a comparable size and move money into that pot to accommodate that, or just give them less. I welcome your thoughts on that since we'll be dealing with the rankings and numbers before the next council meeting.

**Council Member:** Through the panel process are they consistently the highest ranking or one of the highest ranking?

**Paul:** I'd have to go back and check...my recollections is that they typically fare well...they always fare very well in the artistic quality. Questions arise about what we call availability and that is how much of the community are they serving as opposed to the university population. He's been doing a better job of demonstrating that this is not just a program for students and faculty. The third is the management; it's always very difficult for him to present the management side of what they do because they are such an unusual entity. They're a university program – but they're not – and they get the funding from the university. That's typically where the panels have the most difficulty reviewing them because they are so different. A couple years ago we had them complete a General Operating Support application and it was no easier for them because they are different from your typical 501c3. Short of having a separate category altogether for university programs, to your point from earlier, one of the issues to consider is if we were to move them to the General Operating Support pool because of how he presented his case, which is a compelling one, then what do you do with Master Players or Wesley College's concert series? My preference would be to keep them in Project Support category but consider how we review and consider funding levels. I think it's cleaner to keep the university department as a non-arts organization. But, I think a case could be made for treating them as a kind of hybrid.

And I'll be honest with you too, there's no one at this table who doesn't know that I'm a theater person first. Which is why I didn't want to be the only one involved in this decision. The last thing I want is there to be this perception that the director is playing favorites with theater groups. Any thoughts or recommendations for this year?

**Council Member:** Thinking of UD, of course there's long-term sustainability there. That has never been my experience in the individual arts that I could guarantee, on my long-term sustainability, being a partner on campus. And too, I think the residential model is so unique and so valuable for the field that almost I would like to see or encourage growth and thinking through partnerships with institutions in a similar way, rather than the traditional 501c3 model. I feel like some of these programs necessitate partners across disciplines and across institutions to sustain the form. It's an interesting issue to wrap my head around.

**Council Member:** Master Players and Wesley College, as you mentioned, what percentage of their budgets is provided by the university?

**Paul:** We'd have to go back to their financials, I don't know off the top of my head.

**Council Member:** With easily 80% of the budget or more coming from the university, it's really is difficult to argue that they're in the same category as some of the other organizations. So maybe the criteria has to somehow reflect whatever we decide to be a reasonable level of the budget beyond which it's considered a part of a different organization.

**Council Member:** I'm leaning more to what you were saying, Paul. I think it's easier to let them stay where they are and then in years to come if the contributions from UD decreases then I think it opens them up to come back and make a case again as opposed to anticipating that that number will fall. Because right now they're in a good position and it's hard to argue that they should be eligible for more money.

**Paul:** What we can do this June is present a funding scenario where they get funding comparable to what they've been getting the last several years and a scenario that gives them funding comparable to what the larger arts organizations get. Then you can see how it impacts all the other grants.

**Council Member:** I would definitely second – don't re-categorize them this year – mostly from the standpoint of anybody that's similar, we'd have that issue to deal with.

**Paul:** I do believe his primary issue, although it's framed in the context of wanting to be an arts organization, is funding. That's a significant concern for him. I think if he thought he could get the

same amount as the Delaware Theatre Company, while still applying for Project Support, I don't think changing the classification would be as significant of an issue.

**Council Member:** It's definitely going to be a stressor on them. That category shift doesn't necessarily imply that he's going to be receiving the same amount of funds.

**Paul:** Just so I'm clear, for the June meeting we'll have a couple different funding scenarios that show funding them at a level comparable to the larger arts organizations and then a scenario similar to what we've been doing in recent years. We're going to be reviewing them as a Project Support application this year. Have we concluded that we want to keep the university programs like this as Project Support applications moving forward?

**Council Member:** Yes

**Paul:** Okay, I see a majority – so noted.

Any final comments?

**Council Member:** Is this the first time you've been approached by REP to have this discussion?

**Paul:** Sandy came to me a few years ago...and had a sort of preliminary conversation about this. We didn't act on it at that time. He approached me again last year, shortly after we got a new state arts council chair, so I thought that now's a good time – we have a new governor coming in, a new council chair, let's take a look at this.

**Council Member:** Have the Master Players approached you about having a discussion about their placement?

**Paul:** They have not. There is less impetus for them to have this conversation because their Project Support is comparable to other orgs their size. Their program is about \$330k as opposed to \$6 million for REP.

**Council Member:** It's also arguably more a part of the university.

**Paul:** If there are no further comments – is there a motion to adjourn?

**Motion to adjourn – second – all in favor.**